

HB 3157 -1 STAFF MEASURE SUMMARY

House Committee On Behavioral Health and Health Care

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 3/6

WHAT THE MEASURE DOES:

Establishes Health Insurance Mandate Review Advisory Committee (Advisory Committee) to review, and provide report on, all proposed legislative measures and amendments to legislative measures that requires health insurer or health care service contractor to reimburse cost of specified procedure or provider, if measure, concept or amendment is posted to legislative committee's agenda, and to produce report on equity and financial effects of each required coverage that is proposed and efficacy of treatment or service proposed. Specifies Advisory Committee membership and duties of Advisory Committee. Allows Advisory Committee reports to be used in lieu of a fiscal impact statement. Specifies information Advisory Committee reports should contain.

FISCAL: May have fiscal impact, but no statement yet issued.

REVENUE: May have revenue impact, but no statement yet issued.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-1 Adds Legislative Fiscal Officer to persons required to provide staff support to Advisory Committee. Limits review and report production requirement to requests from committee chairpersons and interim committees related to health. Permits committees to take action on legislative measures before Advisory Committee report is produced.

BACKGROUND:

As with other forms of insurance, people obtain health insurance to protect themselves against significant future potential costs. Health insurance can be provided by governments (e.g. Medicare and Medicaid) or the private sector (e.g. employer-sponsored and individual market coverage). While the 1945 McCarran-Ferguson Act established states as the primary regulators of the business of insurance, overlapping federal laws like the Employee Retirement Income Security Act of 1974 (ERISA; P.L. 93-406), the Health Insurance Portability and Accountability Act of 1996 (HIPAA; P.L. 104-191), and the Patient Protection and Affordable Care Act (ACA; P.L. 111-148, as amended) complicate the regulation of health insurance. For example, ERISA outlines federal minimum standards for employer-sponsored health insurance that is self-funded and preempts state regulation of those plans, thereby largely limiting state regulation of private sector health insurance to the small group and individual markets.

State regulation of health insurance can take many forms, including mandates related to persons covered (e.g. coverage of dependents or certain conditions), provider types, and services. With insurance working by spreading risk across a coverage group, the introduction of new state mandates on health insurance has implications for the cost of that coverage. Since 1985, Oregon law has required that every proposed piece of legislation mandating health insurance coverage be accompanied by a report assessing both the social and financial effects of the coverage, including the efficacy of the treatment or service proposed (ORS 171.875).

House Bill 3157 would establish the Health Insurance Mandate Review Advisory Committee to develop a process to review and provide a report on proposed legislative measures mandating health insurance coverage.